471 423 act was taken by the State. The regime was still tightening controls when the German Army attacked in June of 1941.

World War II subjected the entire collective system to its severest strain and, as Voznesensky observed, the system continued to supply the minimum of foodstuffs necessary for the war, although the regime had to loosen its hold considerably to guarantee the supply. That this achievement was a tribute to the vitality of the State agricultural administration, rather than the morale of the peasants, is suggested by the fact that in those areas invaded by the Germans - particularly Byelorussia and the Ukraine - large masses of peasants greeted them as liberators with the traditional bread and salt. But the Germans, who were as interested as their predecessors in a high "marketable surplus," maintained the kolkhozy intact. This policy and the standard Hitlerian excesses in conquered Slavic territory soon alienated the peasants.

With the defeat of the Nazi invasion and the cessation of hostilities in Europe and Asia, the Soviet regime sought to reimpose the agrarian controls loosened in wartime. In line with this policy, [66] the government instituted a vast purge of collective farm directors and decreed a monetary reform in 1947 that wiped out at one stroke most of the savings accumulated by peasants during the war. [65] Taxes on incomes derived from the household plots were raised sharply in 1948, 1950, and 1951; delivery quotas on dairy products and meats produced in the household plots were also raised. The culmination of this development in the kolkhozy was the shift from the zveno (link, or small unit) work system to large-scale labor brigades. Under an amalgamation program the number of collective farms in the Soviet Union was reduced from 252,000 to 97,000. A further effort in this direction was the plan associated with Khrushchev's name to weld the collective farms into vast "agro-towns" (agrogoroda), in which the peasantry would suffer the final transformation into a rural proletarist. Although this effort met with acknowledged failure, the theory behind it was not abandoned. In Stalin's last published work, Economic Problems of Socialism in the U.S.S.R., he called for a program of "gradual" transformation of collective into public property - in short, the eventual conversion of all agricultural units into State farms." [33]

[33] Joseph Stalin, Economic Problems of Socialism in the U.S.S.R. (International Publishers, New York), p. 51. In the same work Stalin called for a "relatively higher rate of expansion of the production of the means of production." The two programs - further statification of the farms and the acceleration of investment - were, in fact, inseparable.

7:Gluckstein S-4 (no date)1952 El Europe El



471 in fourteen branches of industry and transport: oil, bauxite-aluminium, coal, chemicals, the large metal industries Weiss-Manfred, Ganz and Rimamurany, electricity, railways, Danubian shipping, air transport. While their importance in the economy was great, it was considerably less than that of their counterparts in Rumania.

As a political weapon for the subjugation of Hungary to Russia, the mixed companies are of first-rate importance.

### *Bulgaria*

471 In Bulgaria there are Soviet companies and mixed companies
651 in certain mines and transport undertakings. When the U.S.S.R. took over the assets of the German companies, they did not take over their liabilities, the biggest of which were their debts to the state. Thus while a large part of the assets which were transferred to Russia of the German companies came from open robbery of the Bulgarian people in the past, the liabilities were borne by the Bulgarian taxpayer. This was revealed in the Kostov Trial (December, 1949) during which Prof. Stefanov, former Minister of Finance, was accused of opposition to this state of affairs. He was accused further of wishing to impose the same taxes on the Soviet enterprises as the Bulgarian enterprises had to pay. The Prosecutor took it for granted that Russian enterprises in Bulgaria should enjoy special privileges in taxation.

### *Yugoslavia*

471 In Yugoslavia there were two mixed Soviet-Yugoslav transport companies, 'Juspad' and 'Justa', formed on February 4, 1947, with the alleged intention of 'contributing to the recovery and development of productive possibilities of Yugoslavia'. They were liquidated after the rupture with Moscow. After this some light was thrown on the working of the companies. Joze Vilfan, Yugoslav delegate to the United Nations Economic and Social Council, referred to the two mixed companies in a speech before the Council. The participation of the two Governments in the companies was to have been equal, but in practice the companies did not do what they were intended to do. Thus, for example, although by May, 1948, the U.S.S.R. had paid up only 9.83 per cent of its participation

7:Gluckstein S-4 (no date)1952 El Europe El



people. This double vision sees the molehill as a mountain, and the mountain as a molehill! 471

All the experience of history in this connection points to the inescapable conclusion that if a group of people are in absolute control and ownership of the means of production they will inevitably take for themselves all the benefits they possibly can out of production.

The division of the national income among different income groups is kept strictly secret in the 'People's Democracies', although if the British Government did not publish such statistics the Communist Party would certainly, and justifiably, criticize it for keeping the truth from the people. Nevertheless from fragments of news in the press it is possible to get some idea of the great differentiation of incomes. 465

The official *Free Bulgaria* of 15th March, 1947, states that in Bulgaria the ratio between minimum and maximum salaries in Government employment is 1:5. 'New Yugoslavia, which had adopted a ratio of 1:3.2, is gradually introducing a greater differentiation. France has a ratio of 1:6, the United States—1:10, U.S.S.R.—1:11'. The U.S.S.R. leads all the rest, and is praised for it by the Bulgarian Communists!

Departmental chiefs in Bulgaria got 17,000 leva a year, counsellor-reporters 19,500, counsellor-specialists 21,000 and general secretaries 25,000. This was increased in many cases by a 'supplementary salary' of 13,200-22,800 a year, which raised their salaries to 30,000-47,000 leva a year. As against this the average worker's wage was 357.7 leva a month or 4,292.4 leva a year (*Free Bulgaria*, October 1st, 1947) and many unskilled workers earned 150-200 leva a month, or 1,800-2,400 leva a year (*Free Bulgaria*, April 1st, 1948), i.e., twenty times less than the *parvenu* rulers. There is, of course, no record of the value of the benefits the high bureaucrats get not in money but in kind, such as houses, cars and servants.

In Rumania the minimum salary of a civil servant is Lei 3,328 a month, the maximum Lei 42,600 (*Rumanian News*, 6th February, 1949). Many workers earn as little as Lei 2,000-2,500 a month.

Some information about income differentiation in Poland can be gained indirectly from the table giving the rate of income tax payable by people falling within the different 465 651

7:Gluckstein S-4 (no date)1952 El Europe El



465 income groups. This gives an insight into the difference
651 between maximum and minimum incomes, but does not reveal the number of people falling within each group. Incomes of persons or enterprises up to 72,000 zlotys are tax-free (there are many who earn even less than 36,000 zlotys). The rate of tax goes on :

| | | | | |
|---|---|---|---|---|
| 72,000— | 80,000 zlotys— | 2 | per cent | income tax |
| 100,000— | 110,000 | » — 3·5 | » | » |
| 150,000— | 170,000 | » — 7 | » | » |
| 190,000— | 210,000 | » — 9 | » | » |
| 250,000— | 300,000 | » —13 | » | » |
| 500,000— | 600,000 | » —23 | » | » |
| 1,000,000— | 1,200,000 | » —33 | » | » |
| 1,400,000— | 1,600,000 | » —37 | » | » |
| 2,400,000— | 3,000,000 | » —43 | » | » |
| 3,600,000— | 4,200,000 | » —47 | » | » |
| over 4,200,000 | | » —50 | » | » |

(H. W. Robinson, Chief, Division of Operational Analysis, U.N.R.R.A. European Regional Office, London, *Finance in Poland*, p. 21).

To paraphrase Orwell: all men are equal, but some men are more equal than others!*

465 In Czechoslovakia, as has already been mentioned, it was
511 not uncommon (in 1948) to find factory managers earning 40
565 thousand crowns a month, while two-thirds of the workers in 1948 got less than 2,900 crowns a month gross (i.e. before payment of taxes, dues, etc.). In addition, those earning 40,000 crowns were given the free use of a villa, a car with a chauffeur and other perquisites.

Beneš's bourgeois liberal paper, *Svobodné Slovo*, stated, not unjustifiably, that the bureaucracy were 'living in the style of millionaires . . . enjoy every comfort and luxury, thanks to the villas and limousines which they have been allocated by the authorities and to their high incomes'. These people, the paper continued, are 'propertyless—in form only . . .' (6th September, 1947). The standard of living of the masses, on the other hand, is very low, as even the official statisticians have to admit. As early as June, 1946, the monthly average wage of an industrial worker was 2,540 while the *food ration alone* of a family of three cost 2,721 crowns. And many earned less than the average of 2,540 crowns! Since June, 1946, the condition of the masses has deteriorated. The correspondent of *Associated Press* in Prague, did not exaggerate when he said on 15 July,

*In Russia the scale of income-tax starts with taxes on less than 1,800 roubles a year and ends with taxes on more than 300,000 roubles. (*Izvestia*, 6th April, 1940).

7:Gluckstein S-4 (no date)1952 El Europe El



15.4 per cent to 34.9 per cent, and of the net yield from 18.5 per cent to 42.4 per cent. 423 474 241

The obligatory deliveries are virtually direct taxes, as the prices paid by the government for the products delivered is only a small percentage (not even 5 per cent) of the price which the government charges the consumer.

It is interesting to note that Lenin writes in his book, *The Agrarian Question in Russia at the End of the Nineteenth Century* (1908): 'The horseless and one-horse peasants (i.e., the very poor peasants—Y.G.) pay in the form of taxes *one-seventh and one-tenth* respectively of their *gross* expenditure. It is doubtful whether serf dues were as high as that . . . ' The agricultural toilers in the 'Socialist Fatherland' pay much more than that!* [651]

Collectivisation not only transformed into proletarians those who came into industry, but also those who remained in agriculture. The overwhelming majority of agriculturists are in reality, if not in theory, people who do not own any of the means of production: they are compelled to work an ever-increasing number of days on the kolkhozes for very low payment, below even that of the unskilled worker in the towns. The constant rise in the number of days that every household works in the kolkhoz compared with the quantity of grain per household remaining to it after the obligatory deliveries is shown in the following table: [461]

| *Year* | *Average Number of 'Labour Days'† per Household* | | *Grain Retained per Household after Obligatory Deliveries* | |
|---|---|---|---|---|
| | *Number* | *Index* | *Centners* | *Index* |
| 1932 .. | 257 | 100 | 15.8 | 100 |
| 1933 .. | 315 | 122.5 | 19.3 | 122.1 |
| 1934 .. | 354 | 133.4 | 20.1 | 127.2 |
| 1935 .. | 378 | 147.1 | 20.5 | 129.7 |
| 1936 .. | 393 | 152.8 | 17.3 | 109.5 |

†A 'Labour Day' is equivalent to the physical labour day of an unskilled kolkhoznik. The physical labour day of a skilled worker is equivalent to two, three or more 'Labour Days'.

(*Prokopovicz*, op. cit. pp. 136, 138, 164).

*Although the total quantity of products retained by the agriculturists in 1936/7 was lower than in 1927/8 (352.5 million centners and 493.7 million centners respectively) the quantity per household did not decline, and per capita of the agricultural population even rose. This happened because the number of households declined from 25.0 million in 1927/8 to 20.4 million in 1936/7, i.e., by 24 per cent, and the agricultural population decreased from 122.4 million to 78.6 million, i.e., a decline of 35.8 per cent. The fact that the per capita quantity of agricultural products retained by the peasants after making obligatory deliveries rose, does not mean that the conditions of the majority of agriculturists improved, because it was distributed more unevenly to the disadvantage of the masses. This cannot be dealt with here.